McDade helps sponsor bill house bill that will aid Carbondale, other areas

Local Congressman Joseph McDade has joined in sponsoring legislation to create new "enterprise zones" to help revitalize economically depressed urban areas and rural towns.

Specifically included in the measure would be Lackawanna, Monroe, Susquehanna and Tioga Counties, including Carbondale, Honesdale, Scranton and other cities and towns in the four county area.

The bill he has co-authored, the Enterprise Zone Act of 1982, would authorize the program proposed by President Reagan on March 23.

Congressman McDade said, "The idea is to offer certain tax concessions, regulatory relief and other benefits to job-producing businesses willing to invest in areas of blight and high unemployment."

"This mechanism should be tested to find out if it can be useful in creating jobs in areas where they are most needed," he added, "although other programs to provide direct loan and grant capital are also needed."

Under the Enterprise Zone Program, up to 25 such zones .d becreated in each of the next few years, with areas to be selected from those nominated by state and local governments. All areas nominated would have to be hit hard by poverty and unemployment.

Congressman McDade said that the general criteria for the program would make many counties and cities in the 10th Congressional District eligible to apply for designation as an enterprise wone.

Specifically included would be Lackawanna, Monroe, Susquehanna and Tioga Counties and including Carbondale, Honesdale, Scranton and other towns and cities in these counties.

Congressman McDade said that designation of enterprise zones would be on a competitive basis, with the U.S. Secretary of Housing and UrbanDevelopmentevaluating proposals and makeing final selections.

Proposals submitted by state and local government would outline steps they would take to improve the climate for economic development, job creation and community development.

Congressman McDade said that state and local governments might propose to reduce taxes, for example, or loosen zoning restrictions, licensing standards, building code requirements or other local constraints.

Federal tax' concessions might be given businesses locating in designated enterprise zones, including a tax credit for capital investments, a 10 percent income tax credit employees from within the to employers for wages paid to zone, a 50 percent credit to employers on wages paid to disadvantaged persons and the elimination of captain gains taxes.

Federal agencies could also relax or eliminate some Federal regulations within the zone upon the request of state and local governments, but health, safety or civil rights rules would not be touched.

As an incentive to workers themselves to not relocate, a five percent income tax credit might be given to employees on earnings from jobs within an enterprise zone, with a maximum of $450 tax credit per person.

"I also believe that Federal help is needed to provide low-interest investment capital and public facilities needed to attract job-producing enterprises to areas with high unemployment. I am supporting other programs to satisfy these additional needs," Congressman McDade said.